

EXPLANATORY STATEMENT

Issued by the authority of the Minister for Education, Science and Training

Subject: *Higher Education Support Act 2003*
 OS-HELP Guidelines

Authority

Section 238-10 of the *Higher Education Support Act 2003* (the Act) provides that the Minister may make guidelines for the purposes of the Act. In particular, section 238-10 specifies that the Minister may make OS-HELP Guidelines to give effect to matters set out in Part 3-4 of the Act.

Background

The first OS-HELP Guidelines commenced on 4 August 2004. A new set of guidelines were remade in July 2005 and were registered on 9 August 2005 (see F2005L02268). The purpose of these guidelines is to revoke the guidelines registered on 9 August 2005 and to make the OS-HELP Guidelines 2007.

The OS-HELP Guidelines 2007 essentially remain the same. The main changes are to:

- clarify the circumstances in which a student is considered to be enrolled at an overseas higher education institution by inserting paragraph 3.5.20; and
- enable the funding calculations described in Chapter 4 to be based on the number of students who received Commonwealth support under the Act instead of the numbers of students who have received assistance under the *Higher Education Funding Act 1988* (HEFA).

Consultation

The higher education sector was not consulted as these are technical amendments aimed at giving effect to existing arrangements.

Details

The OS-HELP Guidelines 2007 set out various requirements for the provision of loans to eligible students as OS-HELP assistance. Further details are set out in each of the four chapters.

Chapter 1

Chapter 1 outlines the purpose of the guidelines and lists defined terms that appear in the guidelines. Subsection 118-1(1) of the Act provides that students must be selected by their higher education provider to receive OS-HELP assistance in order to be entitled to that assistance. Subsection 238-10(1)(b) allows that guidelines may detail necessary or convenient measures. Subsection 118-15 (4)(b) provides that a number of students can be selected by providers.

Chapter 2

Chapter 2 sets out the procedures that higher education providers must follow in deciding whether to select students for receipt of OS-HELP assistance. This involves providers: maintaining an OS-HELP policy, making information available to students, being responsible for selection and application processes and being satisfied that a student meets the provisions for entitlement to OS-HELP assistance (in particular, assessing a student's entitlement for a second OS-HELP loan where it is in respect of a study period which is a continuation of a first six month study period).

Chapter 3

Chapter 3 sets out the procedures that higher education providers must follow in administering OS-HELP assistance. This involves providers: notifying students of the outcomes of applications for OS-HELP assistance, withdrawing offers where a student is no longer eligible for OS-HELP assistance and the loan has not been paid and taking action if the provider believes that an OS-HELP recipient has provided false or misleading information in their application for OS-HELP assistance.

Chapter 3 also sets out the procedures a higher education provider must follow when considering whether a student is enrolled at an overseas higher education institution. This involves providers determining that a student is either currently enrolled at the overseas higher education institutions or has undertaken sufficient steps to demonstrate that they will complete their enrolment.

Chapter 4

Chapter 4 sets out how the numbers of students that a provider may select for receipt of OS-HELP assistance is determined.

The number of students to be selected by each higher education provider for OS-HELP assistance is to be determined by the higher education provider, however the total loan amounts paid to students by each higher education provider in a year must not exceed the total value of the notional number of loans allocated to the higher education provider for that year.

Chapter 4 also sets out the method for providers to make a bid to the Department of Education, Science and Training for a number of notional OS-HELP loans (a notional loan is the OS-HELP maximum amount for a six month study period in the year in which the loan will be paid to students), how bids from providers are used to determine the number of notional loans that will be allocated to each higher education provider and the process for the allocation of additional notional loans to providers if the total bids by providers loans does not exceed the number of available notional OS-HELP loans for the year.

The calculations in paragraph 4.5.25 of the guidelines are based on reported previous year data, all of which is now reported under the Act, rather than HEFA. This required changing the term 'equivalent full-time student unit (EFTSU)' that applied under HEFA to 'equivalent full-time student load (EFTSL)' in paragraph 1.5.5. The types of students listed in paragraph 4.5.15 were also changed to reflect the terminology in the Act rather than HEFA.

Commencement

The OS-HELP Guidelines 2007 commence on the day after the day on which they were registered on the Federal Register of Legislative Instruments. The OS-HELP Guidelines 2007 revoke all OS-HELP Guidelines previously made.